

US Small Business Administration
Office of Native American Affairs
presents

Business Development Growth
for Native American Businesses
www.sba.gov/naa

Logo: SBA U.S. Small Business Administration

Business Development Growth for
Native American Businesses and Communities

Four images showing four pictures - Welder, Jewelry, Quilt Maker and Solar Energy
Hello and welcome to our guide to business development growth for Native American
Businesses.

This interactive training is self-paced. At any time you may pause, skip to another
section, or continue forward.

Introduction

Office of Native American Affairs (ONAA)

Through the ONAA, the Small Business Administration (SBA) implements initiatives
that deliver economic development services to American Indian, Alaska Native and
Native Hawaiian communities. The ONAA's mission is to ensure that these communities
that are seeking to create, develop, and expand small businesses have access to the
necessary business development and expansion tools available through the SBA's
business development, entrepreneurial development, lending and procurement programs.

Through the Office of Native American Affairs, the Small Business Administration,
implements initiatives that deliver economic development services to American Indian,
Alaska Native and Native Hawaiian communities.

The ONAA's mission is to ensure that communities that seek to create, develop and
expand small businesses have access to the necessary business development and
expansion tools available through the SBA's business development, entrepreneurial
development, lending and procurement programs.

Business Development Challenges

While much of American struggles with economic and business development issues,
Native American businesses are faced with additional challenges.

We may live in remote locations and have limited capital. Our communities can be very
different from each other.

Economic development is important. It keeps us together as a community. It keeps our
culture alive. It helps to strengthen our government.

And since each of our communities are different, the economic and business development
plans and approaches may be different as well.

Photo of Native woman holding a small picture of pottery

Successful Business Development Growth

Successful business development growth may be enhanced with a well-defined economic development framework and a strong foundational base of capabilities, strategies, and supporting policies.

At the base sits Nation building. A strong, effective, self-driven Nation serves as the foundation to support all productive activity.

Resting above it, is Economic Development. In this level, a Nation builds the capacity to identify, select and manage the community's endowment of resources and talent that help achieve the community's vision.

At the top is Business Development Growth. Here Native American and Alaska Natives make critical decisions on starting and growing their businesses.

Business Development Growth

Nation Building Model. Pyramid chart shows from top to bottom: Action, Capability, Strategic, Governance, Culture.

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Arrow curved from: National Building- Build a strong foundational base for economic development.

Arrow curved from: Economic Development - Build capacity to identify, select, and manage opportunities that help achieve the community's vision.

Business Development Growth –

Initiate successful business development projects.

Foundation for Business Development Growth-

Nation Building

This pyramid shows the five Nation Building components and their relationships.

Culture, governance, strategy, and capability all build to the last stage of "action."

In the Nation building model, we understand that each level influences and shapes the level above it.

In this model, Nation Building uses all five stages to create a solid foundation.

Government is aligned with culture. Strategy and Capabilities are focus on "making things happen".

Arrow up - Standard Model. Foundation for Business Development Growth Nation

Building Diagram from top to bottom: Action - The discipline of doing and learning.

Capability - Having the ability to act. Strategic - Setting a clear direction.

Governance - Recognizing the community's voice.

Culture - The intangibles that influence and affect all that we do or plan to do. Arrow up -

Nation Building Model

Adapted Cornell, S., & Kalt, J. P. (2007).

Business Development Growth

Framework

- Assess

- What we know

- Strategic choices
 - Identify opportunities
- Capabilities
 - Alignment and delivery
- Action
 - Adapting and learning
- Mobilization
 - Willingness to lead change
-

Photo of Native man reviewing plans

Just as if we are taking a trip or building a house, a road map or blueprint becomes an essential element for guiding our efforts.

We should have a good understanding of where we are, where we have been, and where we are going.

A simple framework to help guide our efforts include these five steps.

Gather what we already know, develop a strategy or plan, understand and develop our capabilities, identify and manage actions, and mobilize change.

Business Development

Five Steps

The first step is assessment. We ask: What results are we achieving? What are our strengths and weaknesses? What are our opportunities and what are our threats?

With that understanding, we create strategic choices. Here, we set the grand direction. Once we know where we are going, we align everyone and everything to move in the same direction. This is what we call “Capable Institutions”.

Sustained action is next. In this step, we create an action plan. We set up specific actions, priorities, responsible parties and time schedules. And last, we mobilize around the action plan. Leaders step forward and employees commit to moving forward.

These are the five steps to economic development. Now, for more on each.

Image of circular development layout: Achieving Results

Sustained Action - Adapting, learning, and sustaining action? Community

Mobilization - Capable and willing to make or lead change?

Assess - What do we know? Strategic

Choices -Identify opportunities within the environment?

Capable Institutions - Aligned and capable of delivering the strategy?

Business Development: Assess

Community Assessment

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Sample questions based on Nation Building Model Components

Strengths, Weaknesses, Opportunities and Threats (SWOT)

The first step, Assessment, is to understand current conditions.

This is where we gather what is already known about the community or organization. The assessment may include the gathering of past plans, reports and survey data. One useful tool is a questionnaire. It is used in gathering information about the community or organization. Here is an example of five sample questions that focus on the tribal community .

At the end of the assessment, you will be able to summarize and better understand your strengths and weaknesses.

Description of table: Community Assessment Five sample questions. Culture – The tribal government and tribal businesses operate in ways that reflect our indigenous culture and are seen as legitimate by tribal member.

Results - Strengths check mark

Governance - The decision-making with our tribal government and administration operates in ways that reflect our culture.

Results - Weaknesses check mark

Strategic - A vision for our future has been described and shared by our leaders and elders.

Results - Opportunities check mark

Capability - Our tribal community has identified the skills and knowledge it will need to sustain a strong economy in the future.

Results - Weaknesses check mark

Action - Do you have adequate resources (people, time, money, equipment) to support your action plan.

Results - Opportunities check mark

Business Development: Assess

Individual Assessment

Sample questions based on Nation Building Model Components

Strengths, Weaknesses, Opportunities and Threats (SWOT)

Depending on the focus on your effort, a business or individual assessment may also be used.

At the end of the assessment, you will be able to summarize and better understand your strengths and weaknesses.

Description of table: Individual Assessment with five sample questions. Culture - Your business culture will be acceptable in a tribal or non-tribal environment.

Results - Strengths check mark

Governance - You can create and lead a diverse, strong, and self-sufficient work force.

Results - Threats check mark

Strategic - Your vision for your company is supported by your team.

Results - Weaknesses check mark

Capability - You have established realistic and attainable goals and objectives.

Results - Opportunities check mark

Action - Do you have adequate resources (people, time, money, equipment) to support your action plan.

Results - Opportunities check mark

Business Development: Assess Understanding Current Conditions - SWOT

Strength:

An internal asset or attribute that is useful in achieving a vision.

Weakness:

An internal liability or attribute that hinders the achievement of a vision.

Opportunity:

External conditions that are useful in achieving a vision.

Threat:

External conditions that hinder the achievement of a vision.

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Show two by two SWOT model. Internal – Positive –Strengths (list here), Negative - Weaknesses (list here)

External – Positive – Opportunities (list here), Negative -Threats (list here)

Once the data, questionnaires and reports have been gathered, the information is summarized and evaluated in what we call a SWOT. It shows the strengths, weaknesses, opportunities, and threats.

A strength is something inside a community or organization, such as large forest or mineral resource, that can be used to help achieve your vision. A weakness may hinder it, for example, the absence of a UCC code.

An opportunity is something outside a community, such as a growing demand in tourism, that moves you toward your vision.

A threat is something external that obstructs that movement.

Business Development: Strategic

Making Strategic Choices

-SMART GOALS

-Specific

-Measurable

-Attainable

-Realistic

-Timely

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Diagram of Five Step process with focus on step 2 Strategic. Identify opportunities within the environment?

Once we have completed an assessment of where we are, we move to the next step.

The community or business makes strategic choices.

Here, we choose the grand direction we want to go.

We may also articulate a series of goals that support our strategy. The goals should follow a SMART framework of being specific, measureable, attainable, realistic and timely.

Business Development: Strategic

Four Strategic Choices

- Vision
- Advantages
- Industry opportunities
- Economic development approaches

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Photo of Native woman holding pottery.

Diagram of Five Step process with focus on step 2 Strategic.

Just like a potter, a community or business shapes its future by the strategic choice they make.

Business Development: Strategic

Developing a Vision

The vision of a tribal community is a shared picture of its preferred future.

The practical vision of a community is held, to varying degrees, by all of its members, providing a common focus and direction for planning the future.

When visions are rooted in both the tribal community's and the individual's set of values, concerns, and aspirations, they foster commitment.

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Diagram of Five Step process with focus on step 2 Strategic. Picture of two women small business owners.

A Tribal Vision is the first step to forming a strategy.

With this step, one question needs to be answered: What is the shared vision of our economic future? A vision statement publicly declares where a community or business wants to be in the future.

This is not a wish list of all things that could come true, but a shared understanding of where a community or business agrees to go with an understanding of their own unique setting and commitment.

This vision statement helps us focus our attention on choices that assist in achieving our goals. And it works as a guide to making informed decisions.

Business Development: Strategic

Identifying Advantages

- Native American business owners exist in a competitive world and must seek competitive advantages in order to thrive and sustain their way of life.
- By definition, competitive advantages give a individual or organization an edge over their rivals.

- Knowing the advantages is an important step in establishing opportunities for pursuit.

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Diagram of Five Step process with focus on step 2 Strategic. Tribal advantages are the next area to consider in developing a strategy. We ask: What competitive advantages can be used to pursue economic or business development?

A true competitive advantage is one that is difficult to copy by competitors. By definition, they give an organization an edge over its rivals.

Native American tribes and business organizations exist in a competitive world and to succeed, they must know their own competitive advantages.
Examples of advantages may include: sovereign rights, special rights, specialized knowledge, unique access to resources, locational advantage, and workforce capabilities.

Business Development: Strategic Identifying Industry Opportunities

Economic clusters are geographic concentrations of competing, complementary, or interdependent firms and industries that do business with each other and/or have common needs for talent, technology, and infrastructure.

Porter, M., Clusters and the New Economics of Competition, Harvard Business Review, Nov. 1, 1998 (*Adapted 2012).

Map of Various United States Industry Clusters. Map of Various United States Industry Clusters. Alaska – Federal Contracting. Silicone Valley – Micro, Venture Capital. Las Vegas – Amusement. Seattle – Aircraft, Boats, Metal Fab. Nationwide – Construction, Natural Resources. Detroit – Auto. New York City – Financial Services. Nashville – Hospital Management. Houston – Oil and Gas. Hawaii – Tourism.

The third stage of forming a strategy is to determine Tribal Industry Opportunities. Here we ask: In what industry will we focus our development effort?

Because a tribal community's pool of resources is necessarily limited, no tribal community can be competitive at everything. They will need to make some hard economic choices.

There are many industries a tribal community can base their economies on including energy, tourism, manufacturing, and banking.

Business Development: Strategic Identifying a Business Development Approach

You can approach development in a strategic manner by choosing how you will organize in order to do business such as:

- Entrepreneurial incubation
- Joint ventures and partnerships
- Tribal owned enterprises
- Business recruitment

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Diagram of Five Step process with focus on step 2 Strategic.

The last stage of forming a strategy is finding an Economic Approach.

The question we ask: How will we organize to accomplish our economic goals?

Options to organize are:

Entrepreneurialism where communities encourage members to set up their own business.
Joint ventures where tribes, because of their unique advantages, choose partners to create a business.

Tribal- owned enterprises

Business recruitment where the tribe scouts for thriving business and brings them to the community.

Business Development: Capabilities

Understanding and Developing Capabilities

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Diagram showing step three of Business Development Growth process. Once a direction is chosen, the community organizes and aligns its capabilities.

Economic Development

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Diagram showing step three of Business Development Growth process. Once a direction is chosen, the community organizes and aligns its capabilities.

Description of table. Economic Development Eras.

Early Knowledge – Technology, Knowledge. Late Knowledge – Global.

Innovation & Sophistications Factors

Business sophistication

Innovation

Late Industrial – Capital. Early Knowledge – Technology, Knowledge. Late Knowledge – Global.

Efficiency Enhancers

Higher education and training

Goods market efficiency

Labor market efficiency

Financial market sophistication

Technological readiness

Market size

Early Industrial - Labor Handcraft. Late Industrial – Capital. Early Knowledge – Technology, Knowledge. Late Knowledge – Global.

Built Factors – Basic Requirements

Institutions

Infrastructure

Macroeconomic stability

Health and primary education

Early Agricultural – Hunting and finishing, Pastoral. Late Agricultural – Land Agricultural. Early Industrial - Labor Handcraft. Late Industrial – Capital. Early Knowledge – Technology, Knowledge. Late Knowledge – Global.

Natural Factors – Basic Requirements

Land

Natural Resources

Labor

Once a direction is chosen, we ask the question: Are we aligned and capable of delivering the strategy? We call this phase Capability.

We look at our assets, our organizations and our people to evaluate an overall ability to implement the strategy.

In the end, everyone and everything will face the same direction and support each other.

Business Development: Capabilities Community Resources

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Image of seven circles show community capabilities arrows points to: Capital, Workforce/People, Ideas/Innovation, Assets, Infrastructure, Institutions. Capabilities mean things like natural assets, infrastructure, institutions, the skills and knowledge of the people, and social or political capital. We want to look at each of these capabilities and evaluate how important they are to the Tribal or organizational strategy.

For example, it makes little sense to build a manufacturing plant if we don't have a skilled workforce. On the other hand, if a community had a capability such as a reputation for a "hunting culture," the community's goal of creating tourism may work well.

Business Development: Action

Identify and Manage Actions

To "make business development happen", we focus on action, commitment, and communication.

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities. Diagram showing step four of the Business Development Growth process noting action. Adapting, learning, improving, and sustaining action. This phase of Economic Development is called Sustaining Action. To make it happen, we focus on action, commitment, and communication.

Business Development: Action

Developing an Action Plan

Actions –

Ideas for building on strengths and opportunities and ideas for mitigating the effect of weaknesses and threats.

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities. Description of table: A table showing action, start-finish and responsibility. Action – Initiate Uniform Commercial Code. Start – Finish –October. Responsibility – Paul We want to create an action plan. This plan sets up specific actions, priorities, time schedules and performance measurements.

We want to prioritize these actions and allocate resources such as people or materials to support the implementation.

Business Development: Action

Developing a Commitment Plan

Commitment -

- Decide who needs to be committed to the plan.
- Determine their current level of commitment.
- Develop a plan for improving commitment.

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Description of table: A table showing various roles in gain commitment. Key Person – Paul, Opposed – X, arrows goes from Don't know About – Will Let Happen-Will Help and point to Will Make it Happen – Y

Another part of "making it happen" is creating a commitment plan. We want to know things such as:

Who needs to be committed?

Their commitment levels and the commitment levels required.

A plan to move commitment to desired levels.

And last, a monitoring system to assess progress.

Generally speaking, we want to know who is important to putting the action plan in place. If these key people do not have the time and energy to carry out the plan then we may want to do something to influence their commitment.

We want to make sure the right people make these commitments. We want to avoid certain pitfalls such as putting people in charge just because they are in formal positions of power.

We can easily see that an action plan serves little value if we do not have committed people putting them into place.

Business Development: Action

Developing a Communication Plan

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

A table showing various roles in developing communication plan. Description of table:

People/Groups/Leadership – Who are the key people/groups we need to keep informed?

Communication Message and Methods – We will communicate through what means?

People/Groups/Leadership – Who are the key people/groups we need input and feedback from?

Communication Message and Methods – What is our schedule for communication?

To "make it happen" we also need a communication plan. We want to tell tribal members, employees and leadership about the action plan.

Here we want to do things like:

Ask what is to be communicated.

Ask who will receive the information.

Identify key messages.

Determine the method of communication.

Identify who is responsible for communication.

And determine the dates.

The more specific the communication plan is, the more successful it will be.

With an action, commitment, and communication plan, we are on our way to "making it happen."

Business Development: Mobilize

Mobilizing Support

Diagram show Business Development Growth steps focusing on Mobilization. Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Mobilization is about “Engaging the hearts and minds.”

Photo of Handshake

Now that we have done our assessment, made a strategy, created capabilities and launched an action plan, we turn to the last stage.

We call this Mobilization. This means we want to capture the hearts and minds of the community or employees.

To do this, we want to:

Engage tribal members or employees .

Create momentum within the community.

And install a system that supports and builds good leaders.

Business Development: Mobilize

Capturing Hearts and Minds

- Meetings
- Newsletters
- Planning teams
- Music, metaphor and visuals
- Story telling
- Charette
- Leading change workshops
- E-mail updates
- Web sites
- Social Media

Image of circular development layout: Action, Mobilize, Access, Strategic, Capabilities.

Photo of Four individuals communicating their message.

There are many ways to engage tribal members, from meetings and newsletters, to workshops and websites.

We want to do what it takes to get the support of everyone involved.

It may well be that not all members can participate in the development plan, but making them aware, keeping them informed and getting their support will help the overall success.

Conclusion

Assess -

Do you have clear understanding of the external environment, internal issues and capabilities?

Image of circular development layout: Achieving Results

Sustained Action - Can you make things happen?

Mobilization - Are you willing to make or lead change?

Strategic Choices - Do you have a plan to move forward?

Capable - Are you capable of delivery?

Successful business development growth may be enhanced with a well-defined development framework.

Are you ready to proceed?

Do you have a clear understanding of the external environment, internal issues and capabilities?

Do you have a plan to move forward?

Are you capable of delivering the plan?

Can you do what it takes to make things happen?

Are you willing to make or lead change?

Congratulations!

Resources. Sample Forms. SBA Partners & Field Offices. Print Certificate of Competition (sample)

Congratulations! You have just completed Building Economic Capacity in American Indian and Alaska Native Communities.

Please remember there are many organizations with resources we've listed in this workshop to help you start and grow your economy.

You're not alone, go ahead and contact them for help!

Good luck, and thank you for participating .

Click on the icon to print a Certificate of Completion for this course.

Resources and Sample Forms

Resources

- Starting A Business
- Loans and Grants
- Small Business Administration Learning Center
- Government Contracting Classroom
- Veterans Business Outreach Centers

Sample Forms

- Business Development Growth – Five Steps
- Community Assessment
- Individual Assessment
- Strengths, Weakness, Opportunities, and Threats Worksheet

Please remember there are many organizations with resources we've listed in this workshop to help you start and grow your economy.

You're not alone, go ahead and contact them for help!

Good luck, and thank you for participating.